



A STUDY OF CUSTOMERS SATISFACTION LEVEL IN ALMORA ZILA SAHKARI BANK LTD.

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ABSTRACT

Customer satisfaction is one of the most important factors in banking business. When it comes to co-operative banks, customers satisfaction level differentiates one bank from another, thus measuring customer satisfaction is exceedingly important. This research paper is an attempt to examine the current level of customer satisfaction in Almora Zila Sahkari Bank Ltd. For this study, descriptive research design is used which is mainly based on primary data collected through the questionnaire. Information is gathered from the different customers of Almora Zila Sahkari Bank Ltd. In this study the researcher understand various aspects regarding the customer satisfaction in the services offered by AZSB Ltd. 150 customers are used as sample for the study. To assess the customer's satisfaction level, 5 point Likert's scale has been used. It is observed that the overall perceptions of customers towards the services of AZSB Ltd. rated "above average" satisfaction level (above 3 to below 4).

KEYWORDS: Customer, Satisfaction, Co-Operative, AZSB Ltd., Perception, Respondents

INTRODUCTION

Co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. In case of co-operative banking industry like many other financial service industries is facing a rapidly changing market, new technologies, economic uncertainties, competition and more demanding customers. Adoption of technologies in banks is increasing with the growing use of Debit cards, Internet banking, Mobile banking, E-commerce, and various other banking innovations. In response, co-operative banks have been trying to adopt and adjust themselves to improve their efficiencies in the changing social and economical environment. The customers compare the perceived service with the expected service. The perception leads to customer satisfaction with the related service. This study is an attempt to understand the perceptions of quality of services, both transactional based and IT enabled banking in AZSB Ltd. that give awareness to employees about the importance of fulfilling customer's expectations. The Bank was started banking operations from 16th November 1962, at Almora. As on 31st March 2023 the bank has a network of 31 branches in Almora and Bageshwar District of Uttarakhand, with a deposit base of Rs. 822 crore and credit facility of Rs. 249 crore.

LITERATURE REVIEW

Reji Kumar .G and Sudharani Ravindran (2010) analyzed service quality parameters among co-operative banks in Kerala through SERVPERF instrument revealed that measuring customer satisfaction is critical in the process of serving the customer. The study perceived service quality is low. In none of the five dimensions of service quality, co-operative banks could score a mean score above 3 in the five point scale. **N. A. Kavitha and M. Muthumeenakshi (2016)** concluded that there is a positive opinion toward the service of co-operative

banks and the behavior of employees for rendering services. But compared to other private and public banks, co-operative banks little bit poorer in the adoption of technology and modern equipment. Gradually the co-operative banks will adopt more and modern technologies for facing competition and make their services more qualitative one. **Sreeja ES (2016)** observed that the SERVQUAL was useful for analyzing the service quality. The customers especially from rural areas were come to co-operative banks with lot of expectations. In terms of customer-bank relation cooperative banks tend to foster a consciousness and unconsciousness feeling of cognitive trust among customers and anticipate a perception of being fair and more honest institution's compared with other banks. **G. Rosybal Sharmi and L. Prabhakar (2017)** concluded that Customer value is an asset to the organization. Hence, in order to maintain the customer, the organization needs to ensure that the right products and services supported by the right promotion and making it available at the right time for customers. Establishing a professional relationship with customer empowers an organization with the knowledge of what customer's need. **Mubarak (2018)** studied the service quality in Indian banking industry concluded that among five dimensions 'Reliability', 'Responsiveness', 'Empathy' and 'Tangibility' are the major factors responsible for customer satisfaction which stood at 90 percent regarding the services provided by banks. It is suggested to the banking sector that apart from ensuring the trust of customers, it should improve their operations in providing highly advanced technological services to the customers with easy access and instant delivery features. **Shriram .K and Dr. J. Arul Suresh (2019)** observed that the people under low income category are the main service takers of co-operative banks but they are comfortable in with the service rates. But compared to the private and public sector banks, co-operative banks little bit poor in the implementation of technology and

modern equipment. Increasingly the co-operative banks should adopt more modern technologies for facing competition and make their services more qualitative one.

OBJECTIVES OF THE STUDY

The objectives of the research are as follows:

1. To know the satisfaction level of customers in AZSB Ltd.
2. To know the factors responsible for the low satisfaction level among the banking customers.
3. To provide suggestions to improve satisfaction level of the customers.

RESEARCH MEHODOLOGY

For this study, descriptive research design is used where data is collected through the questionnaire. Total 15 service quality parameters have been included in the questionnaire. Total 185 respondents from all 31 branches were contacted in order to seek fair and frank responses on quality of service in banks. To collect primary data, the questions focus on products and services of banks and how satisfied the respondents currently are. Out of 185 respondents only 150 voluntarily participated into the questionnaire and left their anonymous opinions regarding their satisfaction of the bank. This can be used to improve quality of service in future. Common source of secondary data includes Annual reports and website of AZSB Ltd. For analyzing the responses of customer perceptions 5 Point Likert's Scale has been used.

DATA ANALYSIS AND INTERPRETATION

Respondent's Profile: The profiles of the customers are described below:

Table 1
Gender wise Respondents

Particulars	Frequency	Percentage
Male	108	72.0
Female	42	28.0
Total	150	100

Age wise Respondents

Age Group	Frequency	Percentage
18-25years	12	8
26-35	36	24
36-45	69	46
46-60	21	14
Above 60 years	12	8
Total	150	100

Education wise Respondents

Education	Frequency	Percentage
Illiterate	3	2
8th	12	8
10th	18	12
12th	36	24
Graduation	51	34
Post Graduation	30	20
Total	150	100

Occupation wise Respondents

Occupation	Frequency	Percentage
Government Job	24	16
Businessman	9	6
Self-Employed Professional	21	14
Student	6	4
Agriculture	39	26
Housewife	12	8
Private Job	27	18
Retired	12	8
Total	150	100

Income wise Respondents

Occupation	Frequency	Percentage
Less than Rs. 10,000	27	18
10,000-25000	33	22
26000-50000	42	28
51,000-1,00,000	30	20
Above Rs. 1,00,000	18	12
Total	150	100

Account type of Respondents

Particulars	Frequency	Percentage
Only Deposit Account	93	62
Only Loan Account	6	4
Both	51	34
Total	150	100

Source: Field Data

Table No.1 shows that out of 150 respondents 72% are male and 28% are female and the second largest group of 24% belonged to the age group of 26 to 35 years, the highest group of 46% belonged to 36 to 45 years. Further, the respondents are analysed on the basis of their educational qualifications. Only 2% respondents are illiterate, 8% of respondents are below matriculate, 12% are 10th standard, 24% are 12th standard, a maximum of 34% respondents have education up to graduation level and about 20% are post graduated. As far as occupation of respondents is concerned 16% respondents are employed in Government sector, 6% respondents are Businessman, 14% respondents are professional, 4% are students, 26% from Agriculture, 8% are housewife's, 18% employed in private sector and 8% respondents are retired. Table also shows that out of 150 respondents 18% of the respondents have monthly income less than Rs. 10 thousand, 22% belonged to income range of Rs. 10 thousand to 25 thousand, where as a large number of 28% respondents are belonged to Rs. 26 thousand to 50 thousand, 20% in the income range of 51 thousand to 1 lakh and 12% of the respondents have more than Rs. 1 lakh monthly income. It further discloses that a total of 62% respondents are having deposit account(saving bank, current and term deposits), only 4% respondents are maintaining loan account without any having deposit accounts and 34% respondents have both deposit as well as loan account. Out of 150 respondents a maximum number 93 are having deposit accounts, the main

reason for this was these banks paid higher interest (generally extra 0.50% to 1%) on deposits as compared to other banks. Although the researcher has shown and explained the sample of 150 respondents in different group's viz. gender, age, income, education, occupation and account type wise but the main objective of the study is to do an analysis of the satisfaction level. Thus, taking into account the purpose of the study, researcher has selected 15 service quality parameters to analyze the satisfaction level.

Table No. 2
Combined scores of overall customers satisfaction

Frequency							
Se- rial No.	Factors	Highly Satis- fied	Satis- fied	Aver- age	Dissat- isfied	Highly Dissat- isfied	com- bined scores
1	Knowl- edge & efficiency of em- ployees	9	54	39	42	6	3.12
2	Behavior, hospital- ity and guidance	51	66	24	9	0	4.06
3	Physical Facilities in branch	0	15	63	30	42	2.34
4	Locker facility and avail- ability	3	66	27	33	21	2.98
5	Location of branch and con- venience	36	78	36	0	0	4.00
6	ATM card facility and ATM machines availabil- ity	12	36	48	39	15	2.94
7	Modern techno- logical up-grada- tions	24	30	48	18	30	3.00
8	Collec- tion and payment system of clearing	30	12	90	18	0	3.36
9	Variety and avail- ability of products and services	18	39	72	18	3	3.34
10	Interest rate on deposits	78	54	18	0	0	4.40
11	Document formalities	36	84	24	3	3	3.98
12	Interest on loan and advances	0	48	33	51	18	2.74
13	Charges and Fees Levied by Bank on behalf of Different Services	36	48	48	15	3	3.70

14	Timely loan approval after com- pleting the entire necessary bank related formalities	42	39	60	3	6	3.72
15	Grievance Redressal System- Complaint and Sug- gestion	18	81	45	3	3	3.44
<i>Average percep- tions/ Score on Overall Service</i>		24	51	48	18	9	3.40

Source: Calculated using the facts extracted from field data

FINDINGS

Table No.2 shows that due to the local feel, customer belief and higher interest on deposit in terms of, Behavior, Hospitality and guidance and Interest rate on deposits AZSB Ltd. is rated above Satisfied. In case of Location of branch and convenience AZSB Ltd. rated at satisfaction level. In terms of knowledge and efficiency of employee's, clearing system, variety and availability of Products and Services, loan documentation, service charges of banks against various services rendered to the customers, timely approval of loans and for redress customers' grievances on time the bank rated above average. Technical backwardness has always been the problem of District Co-operative Banks and they were still struggling with this, so the bank rated average. The bank is rated below average by its customers due to higher interest on loans, limited physical facilities, less availability of lockers and poor ATM service in branches. It is observed that the overall perceptions of customers towards the services of AZSB Ltd. rated "above average" satisfaction level (above 3 to below 4).

SUGGESTIONS

1. It is advisable to AZSB Ltd. to pay attention towards physical facility, availability of lockers and variety of product and services in their branches.
2. To survive in market, it is very necessary to concentrate more on their technology part. Bank should introduce mobile banking and Internet banking as soon as possible, since banking industry is becoming competitive day by day.
3. Bank should also introduce "Customer Service Audit" like commercial banks to improve the quality of customer service.
4. Interest rate on loan products and service charges should be compatible to market.
5. Bank should provide smooth access to grievance redressal mechanism for ATM related complaints and facilitates speedy resolution.
6. To increase the efficiency of bank employees, training should be provided to them at regular intervals.

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